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TAGS: [EINV](#) [EFIN](#) [QA](#)

SUBJECT: QATAR INVESTMENT AUTHORITY NOT MAKING NEW
INVESTMENTS DUE TO FINANCIAL CRISIS

REF: A. 2008 DOHA 789

[1](#)B. 2008 DOHA 783

[1](#)C. 2008 DOHA 736

(C) KEY POINTS

-- Qatar Investment Authority (QIA) leadership is alarmed by the fund's losses as a result of the global financial turmoil, according to the QIA's head of real estate investments.

-- The QIA is not considering new investments at this time.

-- The QIA's move to shore up the local banking sector (reftels) is a sign the GOQ will use the fund internally as needed.

(C) COMMENT

-- The QIA is clearly rattled by the economic turmoil of the last few months.

-- Some of our financial sector sources claim the QIA is highly leveraged -- particularly for some of its larger, high-profile investments -- and the fund's leaders are wary of extending themselves further in such an uncertain climate.

-- We expect QIA to remain cautious in making new investments and to continue its inward focus until the global financial picture improves.

End Key Points and Comment.

[1](#)1. (C) Navid Chamdia (protect), the Qatar Investment Authority's (QIA) chief for international real estate investments, told us that the QIA is currently considering no new investments -- in real estate or otherwise -- at this time.

He said Finance Minister and QIA Executive Board Member Yousef Hussain Kamal had looked at QIA's balance sheets and was alarmed by the magnitude of losses it had incurred in its foreign investments, such as those in Barclays Bank. The only outlays QIA would make near term would be to shore up companies in which it had already invested. Chamdia acknowledged that in the current climate, one might expect QIA to be out snapping up bargains, but the instruction from QIA leadership is to take an extremely conservative posture.

[1](#)2. (C) Separately, Robert Cheberiak (protect), a CFA at the QIA, corroborated that the mood at QIA is cautious. Uncertainty over asset prices and the risk of further declines brought on by the financial crisis have led the fund's leadership to take a passive approach for now. Moreover, the government is ready to continue using the QIA

to meet domestic needs as required. (Note: In October, the QIA announced a USD 5.3 billion plan to purchase 10-20 percent equity stakes in local banks, a process that is still being sorted out as banks approve the plan.)

LeBaron